



Barataria Preserve

**LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2012**

**LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012**

TABLE OF CONTENTS

	<u>Page No.</u>
BASIC FINANCIAL STATEMENTS	
Independent Auditors' Report.....	1
Required Supplemental Information (Part 1 of 2) Management's Discussion and Analysis.....	4
Government-Wide Financial Statements	
Statement of Net Assets	10
Statement of Activities.....	11
Fund Financial Statements	
Balance Sheet.....	13
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets	14
Statement of Revenue, Expenditures and Changes in Fund Balances	15
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities.....	16
Notes to Financial Statements	
Index.....	18
Notes	19
Required Supplemental Information (Part 2 of 2) Budgetary Comparison Schedule.....	29
SUPPLEMENTAL SCHEDULES AND INFORMATION	
Schedule of Per Diem/Compensation Paid to Board Members	31
Schedule of Professional Services Payments to Contractors	32

**LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012**

TABLE OF CONTENTS

	<u>Page No.</u>
Report on Compliance and Other Matters and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	33
Schedule of Findings and Responses	35
Summary Schedule of Prior Year Findings	36
Management's Corrective Action Plan	37

MARY SUE STAGES, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

.....
3121 Van Buren Street, Suite A
P. O. Box 30
Baker, Louisiana 70704-0030
Phone (225) 775-4982 * Fax (225) 775-4912
mstages@butlercpa.brcoxmail.com

Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

INDEPENDENT AUDITORS' REPORT

Board of Commissioners of the
Lafitte Area Independent Levee District
2654 Jean Lafitte Boulevard
Lafitte, Louisiana 70067

We have audited the accompanying governmental activities and the aggregate remaining fund information of the Lafitte Area Independent Levee District, a component unit of the State of Louisiana, as of and for the year ended June 30, 2012, as listed in the table of contents, which comprise the District's basic financial statements. These financial statements are the responsibility of the Lafitte Area Independent Levee District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Lafitte Area Independent Levee District as of June 30, 2012, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2012, on our consideration of the Lafitte Area Independent Levee District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of

our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The required supplemental information, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lafitte Area Independent Levee District's basic financial statements. The accompanying supplemental information, as listed in the table of contents under Supplemental Schedules and Information and Other Required Supplementary Information, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Mary Sue Stages, CPA". The signature is written in a cursive, flowing style.

Mary Sue Stages, CPA
A Professional Accounting Corporation
Baker, LA
October 9, 2012

REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)

**LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

The purpose of this section is to offer management's discussion and analysis of the Lafitte Area Independent Levee District of the State of Louisiana's (hereafter referred to as the District) financial performance during the year ended June 30, 2012. It should be read in conjunction with the financial report taken as a whole.

Financial Highlights

- ◆ The District received more than \$1,000,000 in contributions for flood protection.
- ◆ The District's assets exceeded its liabilities at the close of the fiscal year by \$12,789,903.

Overview of the Financial Statement Presentation

These financial statements are comprised of three components – (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. There is also other supplemental information contained in this report provided for additional information.

Government-wide Financial Statements. The government-wide financial statements present financial information for all activities of the District from an economic resource measurement focus using the accrual basis of accounting. These provide both short-term and long-term information about the District's overall financial status. They include a statement of net assets and statement of activities.

Statement of Net Assets. This statement presents information on all of the District's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or not.

Statement of Activities. This statement presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the District's financial reliance on general revenues.

The government-wide financial statements can be found on pages 10-11 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one category of funds: governmental funds.

**LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund financial statements is to provide a distinct view of the District's governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year.

Because the view of governmental funds is short-term and the view of the government-wide financial statements is long-term, it is useful to compare these two perspectives. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provides reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints.

Governmental funds include a general fund. The fund financial statements begin on page 13.

Budgetary comparison schedules are included for governmental funds under required supplemental information – part 2 of 2. These schedules indicate the District's compliance with its adopted and final, revised budgets and is found on page 29.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The index of the notes is found on page 18 with the actual notes beginning immediately afterwards.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information.

Financial Analysis of the District

Net assets are an indicator of the District's financial position from year to year. A summary of net assets follows.

**SUMMARY OF NET ASSETS
Governmental Activities**

	<u>2012</u>	<u>2011</u>
Assets		
Current assets	\$ 584,271	\$ 299,263
Capital assets, net	<u>12,229,253</u>	<u>11,855,055</u>
Total Assets	12,813,524	12,154,318

**LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

Liabilities

Current liabilities	<u>23,621</u>	<u>5,454</u>
---------------------	---------------	--------------

Net Assets

Invested in capital assets, net of related debt	12,229,253	11,845,281
Unrestricted	<u>560,650</u>	<u>307,473</u>
Total Net Assets	<u>12,789,903</u>	<u>12,152,754</u>

Net assets of the District increased by \$410,624. This was a result, primarily, of the grant proceeds awarded by FEMA for the preparation and clean-up of tropical storms Lee and Debby.

A summary of changes in net assets is as follows:

**SUMMARY OF CHANGES IN NET ASSETS
Governmental Activities**

	<u>2012</u>	<u>2011</u>
Revenues		
Grants and contributions	\$ 902,355	\$ 243,295
General revenues:		
Taxes	217,249	227,000
Other revenues	<u>959</u>	<u>8,738</u>
Total Revenues	1,120,563	479,033
Expenses		
Flood protection	<u>709,939</u>	<u>378,514</u>
Change in net assets	410,624	100,520
Net assets, beginning	12,148,864	12,152,754
Prior period adjustment	<u>230,415</u>	<u>104,410</u>
Net assets, ending	<u>12,789,903</u>	<u>12,148,864</u>

**LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

Revenues increased by \$641,530 due primarily because of increased contributions for flood protection. Expenditures increased by \$331,425 for the same reasons in addition to two tropical storms that impacted the area. Both required preparation and clean-up.

Budgetary Highlights

Revenues were more than budgeted amounts by \$70,113 or 7%. Expenses were \$14,530 or 3% more than expected for operations and \$178,368 less than expected for capital outlay. These comparisons are detailed in the budgetary comparison schedule on page 29. The District is in compliance with its legally adopted budget.

Capital Asset and Debt Administration

Capital Assets: The District's investment in capital assets, net of accumulated depreciation, at June 30, 2012 and 2011, was \$12,229,253 and \$11,855,055, respectively. Additions during the year included \$566,778 in levee construction and \$44,054 for a long-arm reach tractor. The cost of the tractor was shared with the Town of Jean Lafitte.

Capital assets at year-end are summarized as follows:

**CAPITAL ASSETS
Net of Accumulated Depreciation
Governmental Activities**

	<u>2012</u>	<u>2011</u>
Depreciable Assets		
Land	\$ 491,802	\$ 491,802
Infrastructure – levee/drainage system	11,694,071	11,354,665
Machinery and equipment	43,199	8,224
Office equipment/furniture	<u>182</u>	<u>364</u>
Total	<u>12,229,253</u>	<u>11,855,055</u>

Long-Term Debt: The District has no long-term debt.

**LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

Economic Environment and Next Year's Budget

The District's appointed officials considered the following factors and indicators when setting next year's budget, rates and fees:

- ◆ Millage rates for ad valorem taxes
- ◆ Projects in progress and under considerations for flood protection
- ◆ Anticipated storm activity
- ◆ Intergovernmental agreements.

At this time, the District is currently continuing work on the Fisher School Basin Levee Project. The 1st phase of this project was completed during the year, and phase II is more than 50% complete.

The District is also working on the Rosethorn Basin Levee Project. The engineers were hired and plans completed to date have been turned over to the Coastal Protection and Restoration Authority for review. Rocks were acquired by the District from the BP Oil Spill and will be used for an Erosion Control Rock Project. This project will require placing rocks in low lying areas while waiting to get approval and funds on levee construction in those areas.

Construction of a new bridge structure to replace the existing Goose Bayou Bridge along La Hwy 45 was approved and should be finished in the coming year.

The Lafitte Area Independent Levee District continues to work hard in order to provide the area with adequate levees and prepare for future storms. Members of the District visited Washington, D.C. this past September to lobby for more funds to complete all the tidal protection levees and for funds to construct a hurricane protection ring levee around the whole area. We also had a presence at the National Hurricane Conference where we obtained ideas for new strategies for flood protection, visited many booths with useful tools and gained a tremendous amount of useful knowledge.

Request for Information

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations and demonstrate the District's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Nicole Cooper, Administrative Assistant, at 504-689-2208.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2012.

	Governmental <u>Activities</u>
ASSETS	
Current Assets	
Receivables:	
LRA Grants	\$ 261,748
FEMA	71,488
Property taxes	230,415
Prepaid expenses	<u>20,621</u>
Total Current Assets	584,271
Non-Current Assets	
Capital assets, net of accumulated depreciation:	
Land	491,802
Infrastructure - levee/drainage systems	11,694,071
Machinery and equipment	43,199
Office equipment/furniture	<u>182</u>
Total Non-Current Assets	<u>12,229,253</u>
Total Assets	12,813,524
LIABILITIES	
Current Liabilities	
Bank overdraft	8,889
Accounts payable	9,047
Payroll withholdings and related payables	5,223
Accrued salaries payable	<u>461</u>
Total Liabilities	<u>23,621</u>
NET ASSETS	
Invested in capital assets, net of related debt	12,229,253
Unrestricted	<u>560,650</u>
Total Net Assets	<u><u>12,789,903</u></u>

See Accompanying Notes and Independent Auditors' Report

LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

	Program Revenues				Net Revenues (Expenses)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Functions/Programs</u>					
Governmental Activities					
Flood protection	\$ 709,939	\$ -	\$ 190,577	\$ 711,778	\$ 192,416
Total Governmental Activities/Primary Government	709,939	-	190,577	711,778	192,416
General Revenues					
Taxes					217,249
Other revenues					959
Total General Revenues					218,208
Change in Net Assets					410,624
Net Assets, beginning					12,148,864
Adjustment to prior periods					230,415
Net Assets, ending					12,789,903

See Accompanying Notes and Independent Auditors' Report

FUND FINANCIAL STATEMENTS

**LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012**

	<u>General Fund</u>
ASSETS	
Receivables:	
LRA Grant	\$ 261,748
FEMA	71,488
Property taxes	230,415
Prepaid expenses	<u>20,621</u>
TOTAL ASSETS	<u><u>584,271</u></u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Bank overdraft	8,889
Accounts payable	9,047
Payroll withholdings and related payables	5,223
Accrued salaries payable	<u>461</u>
Total Liabilities	23,621
 Fund Balances:	
Unassigned	<u>560,650</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>584,271</u></u>

See Accompanying Notes and Independent Auditors' Report

**LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
JUNE 30, 2012**

Total Fund Balances - Total Governmental Funds	\$ 560,650
------------------------------------------------	------------

Amounts reported for governmental activities in the
Statements of Net Assets are different because:

Capital assets used in governmental activities are not
financial resources and, therefore, are not reported in
these funds. This is the reported amount of capital assets
net of accumulated depreciation.

<u>12,229,253</u>

Total Net Assets - Governmental Activities

<u><u>12,789,903</u></u>

**LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012**

	<u>General Fund</u>
REVENUES	
Taxes	\$ 217,249
Grants and contributions	902,355
Other revenues	<u>959</u>
Total Revenues	1,120,563
 EXPENDITURES	
Salaries and related benefits	231,678
Meetings, conferences and travel	11,004
Professional services	120,528
General and administrative	110,095
Capital outlay	<u>610,832</u>
Total Expenditures	<u>1,084,137</u>
Net Change in Fund Balances	36,426
Fund balances, beginning	293,809
Adjustment to prior periods	<u>230,415</u>
Fund balances, ending	<u><u>560,650</u></u>

See Accompanying Notes and Independent Auditors' Report

LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

Net Change in Fund Balances - Total Governmental Funds	\$ 36,426
--------------------------------------------------------	-----------

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

<u>374,198</u>

Change in Net Assets - Governmental Activities

<u><u>410,624</u></u>

NOTES TO FINANCIAL STATEMENTS

**LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
INDEX TO NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

<u>Note No.</u>	<u>Description</u>	<u>Page No.</u>
	Introduction	19
1	Summary of Significant Accounting Policies	19
2	Cash and Cash Equivalents	24
3	Receivables	25
4	Prepaid Expenses	25
5	Capital Assets	25
6	Accounts and Other Payables	26
7	Adjustment to Prior Periods	26
8	Leases	26
9	Leave	26
10	Retirement System	27
11	Related Party Transactions	27
12	Commitments and Contingencies	27
13	Subsequent Events	27

**LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

INTRODUCTION

The Lafitte Area Independent Levee District, a component unit of the State of Louisiana, was created under the provisions of Louisiana Revised Statute 38:291(Y). The District is domiciled in the Town of Jean Lafitte, Louisiana and provides flood protection through the construction/maintenance of levees and drainage for those areas contained within its boundaries – Crown Point, Jean Lafitte and unincorporated areas of Lafitte and Barataria. The District is managed by a Board of Commissioners composed of 5 members that are appointed by the Governor of the State of Louisiana.

Commissioners, as authorized by Louisiana Revised Statute 38:308, receive a per diem to attend meetings or conduct board-approved business not to exceed \$75 per day up to 36 meetings per year.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the Lafitte Area Independent Levee District conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the District is considered a component unit of the State of Louisiana because the State exercises oversight responsibility in that the Governor appoints the board members and public service is rendered within the State's boundaries. The accompanying financial statements present only the transactions of the Lafitte Area Independent Levee District.

Government-wide Accounting: In accordance with Government Accounting Standards Boards Statement No. 34, the District has presented a statement of net assets and statement of activities for the District as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-

LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity

Interfund receivables and payable are eliminated in the statement of net assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses, from one function to another or within the same function, is eliminated in the statement of activities. Allocated expenses are reported by the function to which they were allocated.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond two years and exceed \$1,000 in cost are capitalized. Infrastructure assets such as levees, roads and bridges are also capitalized along with interest on debt incurred during construction. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net assets.

Program Revenues

The Statement of Activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the District. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are reserved for a specific use.

Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the District has chosen not to do so.

Operating/Non-Operating Revenues

Proprietary funds separately report operating and non-operating revenues.

Reserved Net Assets

Reserved net assets are those for which a constraint has been imposed either externally or by law. The District recognized the use of reserved resources for expenditures that comply with the specific

LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

restrictions. Reserved resources are exhausted before unreserved net assets are used.

Fund Accounting: The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate entity with a self-balancing set of accounts. Funds of the District are classified under one category: governmental. This category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds: Governmental funds account for all or most of the District's general activities, including the collection and disbursement of specific or legally reserved monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General – accounts for all activities not required to be reported in another fund.

Basis of Accounting/Measurement Focus: In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles and are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy.

The type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental and business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the statement of activities. In these statements, capital assets are reported and depreciated in each fund, and long-term debt is reported.

The fund statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current

LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated. Principle and interest paid on long-term debt is reported as current expenses.

Budgets and Budgetary Accounting: Formal budgetary accounting is employed as a management control. The District prepares and adopts a budget prior to July 1st of each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The District amends its budget when projected revenues are expected to be less than budgeted revenues by 5% or more and/or projected expenditures are expected to be more than budgeted amounts by 5% or more. All budget appropriations lapse at year-end. The budgetary information included in the accompanying financial statements includes the original and subsequent amendments.

Cash and Cash Equivalents: Cash includes amounts in interest bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Investments: Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value, based on quoted market prices, with the corresponding increase or decrease reported in investment earnings. Currently, the District has no investments.

Inventory: Inventory of the District includes only office supplies, the amount of which is considered immaterial. Therefore, the acquisition of such items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Receivables: Receivables are recorded net of any allowance for uncollectible amounts in both governmental and business-type activities. Revenues become susceptible to accrual when they become both measurable and available.

Capital Assets: The District's assets are recorded at historical cost or estimated historical cost if actual is not available. Donated fixed assets are recorded at their estimated fair value on the date of donation. Its policy is to capitalize assets with an original cost of \$1,000 or more. Depreciation is

LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

recorded using the straight-line method over the useful lives of the assets as follows:

Buildings/improvements	10-20 years	Machinery/equipment	3-10 years
Infrastructure	20-50 years	Furniture/office equipment	3-10 years

Compensated Absences: The District has no provision for compensated absences for the year ended June 30, 2012. There was no unused leave time.

Post Retirement Health and Life Insurance Benefits. The District does not offer any post retirement benefits.

Long-Term Obligations: In the government-wide financial statements, debt principal payments of government activities are reported as decreases in the balance of the liability on the statement of net assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid. The District does not have any long-term obligations.

Net Assets/Fund Balances: In the statements of net assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets are as follows:

Invested in Capital Assets, Net of Related Debt

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets

Net assets that are reserved by external sources, such as banks or by law, are reported separately as restricted net assets. When assets are required to be retained in perpetuity, these non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted Net Assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the balance sheet of governmental funds, fund balances are segregated as follows:

Non-spendable

This includes amounts in permanent funds and inventories that are permanently precluded from conversion to cash.

Restricted

Fund balances that are restricted include those resources constrained to a specific purpose by enabling legislation, external parties or constitutional provisions.

LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Committed

Fund balances may be committed for a specific purpose by the highest level of decision-making authority through a formal action such as the adoption of an ordinance. The removal of or change in this commitment can only be accomplished by the same level of authority through the same type of action taken to commit the fund balances initially.

Assigned

Resources earmarked for a specific purpose by a government's management are reported as assigned fund balances.

Unassigned

This category represents that portion of equity that are available for any purpose.

Property Taxes: Article 6, Section 39 of the Louisiana Constitution of 1974 provides that, for the purpose of constructing and maintaining levees, levee drainage, flood protection, hurricane flood protection and all other purposes incidental thereto, the District may levy annually a tax. Ad valorem taxes attach as an enforceable lien on property as of January 1st of each year. They are levied in November, billed in December and become delinquent on January 1st of the following year.

NOTE 2 – CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding, or custodial bank that is mutually acceptable to both parties.

With the adoption of GASB Statement No. 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The Board does not have any deposits that fall within that category. The collected bank balances at June 30, 2012, was \$228,361. Deposits of the District are secured with \$250,000 in federal deposit insurance and collateral pledged through the bank.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, La. Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

A summary of cash and cash equivalents (book balances) at June 30, 2012, is as follows:

Demand deposits	\$ <u>(8,889)</u>
-----------------	-------------------

**LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 3 – RECEIVABLES

The following is a summary of receivables at June 30, 2012:

LRA Grant	\$ 261,748
FEMA	71,488
Property taxes	<u>230,415</u>
Total	<u>563,651</u>

NOTE 4 - PREPAID EXPENSES

Prepaid expenses represent the unexpired terms of general and professional liability insurance policies held by the District. At June 30, 2012, that portion of cost associated with the unexpired term amounted to \$20,621.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated				
Land	\$ 491,802	\$ -	\$ -	\$ 491,802
Capital Assets, being depreciated				
Infrastructure- levee system	11,978,068	566,778	-	12,544,846
Less: accumulated depreciation	<u>623,403</u>	<u>227,373</u>	<u>-</u>	<u>850,776</u>
Net Infrastructure	11,354,665	339,405	-	11,694,071
Machinery and equipment	27,043	44,054	-	71,097
Less: accumulated depreciation	<u>18,819</u>	<u>9,080</u>	<u>-</u>	<u>27,899</u>
Net Machinery/Equipment	8,224	34,974	-	43,199
Office equipment/furniture	909	-	-	909
Less: accumulated depreciation	<u>546</u>	<u>182</u>	<u>-</u>	<u>727</u>
Net Office Equip/Furniture	363	(182)	-	182
Net Capital Assets, being depreciated	<u>11,363,253</u>	<u>374,198</u>	<u>-</u>	<u>11,737,451</u>
Net Capital Assets	<u>11,855,055</u>	<u>374,198</u>	<u>-</u>	<u>12,229,253</u>

LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 6 – ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at June 30, 2012:

Accounts – trade	\$ 17,936
Payroll withholdings and related	5,223
Accrued salaries	<u>461</u>
Total	<u>23,621</u>

NOTE 7 - ADJUSTMENT TO PRIOR PERIODS

The District had recognized a receivable of \$104,410 for taxes currently being held by the West Jefferson Levee District (WJLD). The Jefferson Parish Assessor's Office indicated that the West Jefferson Levee District owes these funds to the District, but the WJLD disputed this. The WJLD contended that the Assessor used figures from property outside of the statutory boundaries of the newly reorganized District (Act 475 of the 2007 Legislative Session) and had asked the Assessor to reconsider its calculations. The Assessor had not adjusted its tax rolls and, as a result, the District adjusted its fund balance for this receivable at June 30, 2011.

A judgment was made during the current year on this issue. As a result, it was determined that the District was due \$230,415 in back taxes. This amount was accrued at June 30, 2012, and the beginning fund balances increased for these taxes earned in prior years.

NOTE 8– LEASES

Operating. The District had no operating leases during the year.

Capital. The District does not have any capital leases.

NOTE 9 – LEAVE

Annual and Sick Leave. The District's employee earns and accumulates annual and sick leave at a rate of 40 hours each per year. Requests for leave must be made to and approved by the President.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditures when leave is earned. Only annual leave is accrued, and there was no liability associated with this type of leave at June 30, 2012.

**LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 10 – RETIREMENT SYSTEM

The District does not participate in a retirement system.

NOTE 11 – RELATED PARTY TRANSACTIONS

There were no related party transactions that require disclosure in the accompanying statements.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Litigation

The District had no potential or existing litigation that is required to be disclosed in the accompanying financial statements.

NOTE 13 – SUBSEQUENT EVENTS

There were no events between the close of the year through issuance of this report that would materially impact these financial statements.

REQUIRED SUPPLEMENTAL INFORMATION
(PART 2 OF 2)

**LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2012**

	<u>Budgeted (GAAP Basis)</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 227,000	\$ 215,000	\$ 217,249	\$ 2,249
Grants and contributions	800,000	834,200	902,355	68,155
Other revenues	5,000	1,250	959	(291)
Total Revenues	1,032,000	1,050,450	1,120,563	70,113
EXPENDITURES				
Salaries and related benefits	71,000	225,173	231,678	(6,505)
Meetings, conferences and travel	10,000	14,000	11,004	2,996
Professional services	61,000	118,375	120,528	(2,153)
General and administrative	58,750	101,227	110,095	(8,868)
Total Expenditures	200,750	458,775	473,305	(14,530)
Capital outlay	800,000	789,200	610,832	178,368
Total Expenditures/Capital Outlay	1,000,750	1,247,975	1,084,137	163,838
Net Change in Fund Balances	31,250	(197,525)	36,426	233,951
Fund Balances, beginning, restated	332,765	203,063	524,224	321,161
Fund Balances, ending	364,015	5,538	560,650	555,112

See Independent Auditors' Report

SUPPLEMENTAL SCHEDULES AND INFORMATION

**LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
SCHEDULE OF PER DIEM/COMPENSATION PAID TO BOARD MEMBERS
JUNE 30, 2012**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, this schedule of per diem or compensation paid to board members is presented for the year ended June 30, 2012.

<u>Name</u>	<u>Amount</u>
<i>Salary</i>	
Timothy Kerner (President)	\$ 12,000
<i>Per Diem</i>	
Burmaster, Barron C.	1,950
Frickey, Dena C.	1,875
Moore, Allen D.	975
Rawle, Frank A.	<u>2,775</u>
Total Salary/Per Diem	<u>19,575</u>

See Independent Auditors' Report

**LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
SCHEDULE OF PROFESSIONAL SERVICE PAYMENTS TO CONTRACTORS
YEAR ENDED JUNE 30, 2012**

<u>Vendor</u>	<u>Amount</u>	<u>Purpose</u>
None		

See Independent Auditors' Report

MARY SUE STAGES, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

.....
3121 Van Buren Street, Suite A
P. O. Box 30
Baker, Louisiana 70704-0030
Phone (225) 775-4982 * Fax (225) 775-4912
mstages@butlercpa.brcoxmail.com

Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

**REPORT ON COMPLIANCE AND OTHER MATTERS AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners of the
Lafitte Area Independent Levee District
2654 Jean Lafitte Boulevard
Lafitte, Louisiana 70067

We have audited the financial statements of the governmental activities and the aggregate remaining fund information of the Lafitte Area Independent Levee District, a component unit of the State of Louisiana, as of and for the year ended June 30, 2012, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated October 9, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lafitte Area Independent Levee District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that are required to be reported under *Government Auditing Standards* and is described as finding 2012.1 in the schedule of findings and responses.

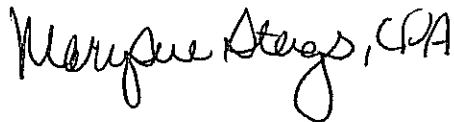
Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Lafitte Area Independent Levee District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lafitte Area Independent Levee District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lafitte Area Independent Levee District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management and Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, the Legislative Auditor distributes this report as a public document.



Mary Sue Stages, CPA
A Professional Accounting Corporation
Baker, LA
October 9, 2012

**LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

We have audited the basic financial statements of the Lafitte Area Independent Levee District as of and for the year ended June 30, 2012, and have issued our report thereon dated October 9, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2012, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control	Control Deficiency	<input type="checkbox"/> No
	Material Weakness	<input type="checkbox"/> No
Compliance	Compliance Material to F/S	<input type="checkbox"/> No

Section II Financial Statement Findings

2012.1 Compliance with Audit Law

Criteria. Louisiana Revised Statute 24:513 requires that an audited financial statement for component units of the State of Louisiana be submitted to the Legislative Auditor within two months of the close of an entity's fiscal year. This equates to August 31st for the District. This deadline was not met.

Condition. The cause of this non-compliance was an unavoidable situation.

Management's Response. The books were prepared and the audit scheduled. However, Hurricane Isaac hit the Louisiana coast that day. This storm required our attention before, during and after the event for disaster preparation and recovery. Our office was underwater for several days following the storm.

Section III Federal Award Findings and Questioned Costs

N/A

**LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2012**

Section I Internal Control and Compliance Material to the Financial Statements

N/A

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A

**LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2012**

Section I Internal Control and Compliance Material to the Financial Statements

2012.1 Compliance with Audit Law

Criteria. Louisiana Revised Statute 24:513 requires that an audited financial statement for component units of the State of Louisiana be submitted to the Legislative Auditor within two months of the close of an entity's fiscal year. This equates to August 31st for the District. This deadline was not met.

Corrective Action Plan. The cause of this non-compliance was an Act of God and, as such, was unavoidable. Hurricane Isaac was not expected to have a significant impact on the Louisiana coast until the day before our scheduled meeting. Given the appropriate amount of fore-warning, we can attempt to avoid this situation should it happen again.

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A

LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2012

C O N T E N T S

Statements

AFFIDAVIT

MD&A

Balance Sheet	A
---------------	---

Statement of Revenues, Expenses, and Changes in Fund Net Assets	B
-----------------------------------------------------------------	---

Statement of Activities (See Also Instructions for Simplified Statement of Activities)	C
----------------------------------------------------------------------------------------	---

Statement of Cash Flows	D
-------------------------	---

Notes to the Financial Statements

A. Summary of Significant Accounting Policies	1
-----------------------------------------------	---

B. Budgetary Accounting	1
-------------------------	---

C. Deposits with Financial Institutions and Investments	2
---------------------------------------------------------	---

D. Capital Assets – Including Capital Lease Assets	4
----------------------------------------------------	---

E. Inventories	6
----------------	---

F. Restricted Assets	6
----------------------	---

G. Leave	6
----------	---

H. Retirement System	6
----------------------	---

I. Other Postemployment Benefits	6
----------------------------------	---

J. Leases	6
-----------	---

K. Long-Term Liabilities	7
--------------------------	---

L. Contingent Liabilities	7
---------------------------	---

M. Related Party Transactions	7
-------------------------------	---

N. Accounting Changes	7
-----------------------	---

O. In-Kind Contributions	7
--------------------------	---

P. Defeased Issues	7
--------------------	---

Q. Revenues or Receivables – Pledged or Sold (GASB 48)	7
--------------------------------------------------------	---

R. Government-Mandated Nonexchange Transactions (Grants)	7
----------------------------------------------------------	---

S. Violations of Finance-Related Legal or Contractual Provisions	7
------------------------------------------------------------------	---

T. Short-Term Debt	7
--------------------	---

U. Disaggregation of Receivable Balances	8
------------------------------------------	---

V. Disaggregation of Payable Balances	8
---------------------------------------	---

W. Subsequent Events	8
----------------------	---

X. Segment Information	8
------------------------	---

Y. Due to/Due from and Transfers	8
----------------------------------	---

Z. Liabilities Payable from Restricted Assets	9
-----------------------------------------------	---

AA. Prior-Year Restatement of Net Assets	9
------------------------------------------	---

BB. Net Assets Restricted by Enabling Legislation	9
---------------------------------------------------	---

CC. Impairment of Capital Assets	9
----------------------------------	---

DD. Employee Termination Benefits	9
-----------------------------------	---

EE. Pollution Remediation Obligations	9
---------------------------------------	---

FF. American Recovery and Reinvestment Act (ARRA)	9
---------------------------------------------------	---

GG. Restricted Net Assets – Other Specific Purposes	9
-----------------------------------------------------	---

Schedules

1	Schedule of Per Diem Paid to Board Members	
---	--------------------------------------------	--

15	Schedule of Comparison Figures and Instructions	
----	-------------------------------------------------	--

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2012

LAFITTE AREA INDEPENDENT LEVEE DISTRICT
2654 Jean Lafitte Boulevard
Lafitte, LA 70067

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

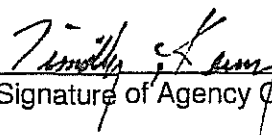
Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

Physical Address:
1201 N. Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

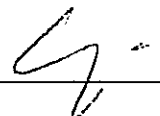
Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Mayor Tim Kerner, Board President, of Lafitte Area Independent Levee District, who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Lafitte Area Independent Levee District at June 30, 2010 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 15th day of OCTOBER, 2012.



Signature of Agency Official

 _____
NOTARY PUBLIC

Prepared by: Mayor Tim Kerner
Title: Board President
Telephone No.: (504) 689-8808
Date: September 27, 2012
Email Address: ncooper@townofjeanlafitte.com

**STATE OF LOUISIANA
LAFITTE AREA INDEPENDENT LEVEE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2012**

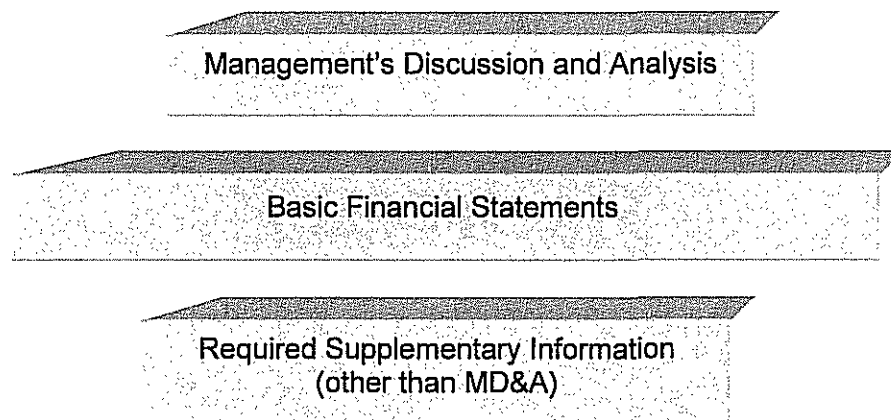
Management's Discussion and Analysis of the Lafitte Area Independent Levee District's, hereinafter referred to as the District, financial performance presents a narrative overview and analysis of the District's financial activities for the year ended June 30, 2011. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information.

FINANCIAL HIGHLIGHTS

- ★ The District's assets exceeded its liabilities at the close of fiscal year 2012 by \$12,789,903.
- ★ The revenues increased by \$641,530 primarily because of grant proceeds utilized.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

Basic Financial Statements

The basic financial statements present information for the District as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Balance Sheet presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents information showing how District's assets changed as a result of current year operations. Regardless of when cash is

AREA INDEPENDENT LEVEE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF JUNE 30, 2012

affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows presents information showing how the District's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
as of June 30, 2012
(in thousands)

	Total	
	2012	2011
Current and other assets		
Capital assets	\$ 584	\$ 299
Total assets	12,229	11,855
Other liabilities	12,813	12,154
Long-term debt outstanding	24	5
Total liabilities	24	5
Net assets:		
Invested in capital assets, net of debt	12,229	11,855
Restricted	561	294
Unrestricted	12,790	12,149
Total net assets		

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Net assets of the District increased by \$410,624 or < 1% from June 30, 2011 to June 30, 2012. The primary reason is due to the increase in grant proceeds received during the year.

**STATE OF LOUISIANA
LAFITTE AREA INDEPENDENT LEVEE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2012**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
for the years ended June 30, 2012 and 2011
(in thousands)**

	<u>Total</u>	
	<u>2012</u>	<u>2011</u>
Operating revenues	\$ 1,120	\$ 470
Operating expenses	710	379
Operating income(loss)	<u>410</u>	<u>91</u>
Non-operating revenues	1	9
Non-operating expenses *		
Income(loss) before transfers	<u>411</u>	<u>100</u>
Transfers in		
Transfers out		
Net increase(decrease) in net assets	\$ <u>411</u>	\$ <u>100</u>

* Enter expenses as a negative amount

Revenues of the District increased by \$641,530 or 134%. The total cost of all programs and services increased by \$331,425 or 87.6%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year ended June 30, 2012, the District had \$12,229,253 invested in a broad range of capital assets, including levee/drainage systems and machinery/equipment. This amount represents a net increase (including additions and deductions) of \$374,198 over last year.

This year's major additions included (in thousands):

	<u>2012</u>	<u>2011</u>
Land	\$ 491,802	\$ 491,802
Buildings and improvements	-	-
Equipment	43,380	8,588
Infrastructure	11,694,071	11,354,665
Intangible Assets	-	-
Totals \$	<u>12,229,253</u>	\$ <u>11,855,055</u>

**STATE OF LOUISIANA
LAFITTE AREA INDEPENDENT LEVEE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2012**

Debt

The District has no long-term debt.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$70,113 or 7% more than budget and expenditures were more than budget by \$178,368.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees:

- millage rates for ad valorem taxes
- projects in progress and under consideration for flood protection
- anticipated storm activity
- intergovernmental agreements

The District expects that next year's results will improve based on the following:

- anticipated increase in taxes due to expanded boundaries
- re-routing of funding for needed projects

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Nicole Cooper at 504-689-2208.

STATE OF LOUISIANA
LAFITTE AREA INDEPENDENT LEVEE DISTRICT
BALANCE SHEET
AS OF JUNE 30, 2012

Statement A

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$	
Restricted Cash and Cash Equivalents		
Investments		
Derivative instrument		
Deferred outflow of resources		
Receivables (net of allowance for doubtful accounts)(Note U)		563,650
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		20,620
Notes receivable		
Other current assets		
Total current assets		584,270

NONCURRENT ASSETS:

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Investments		
Notes receivable		
Capital assets, net of depreciation (Note D)		
Land and non-depreciable easements		491,802
Buildings and improvements		
Machinery and equipment		43,381
Infrastructure		11,694,071
Intangible assets		
Construction/Development-in-progress		
Other noncurrent assets		
Total noncurrent assets		12,229,254
Total assets	\$	12,813,524

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	23,621
Derivative instrument		
Deferred inflow of resources		
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		
Amounts held in custody for others		
Other current liabilities		
Current portion of long-term liabilities: (Note K)		
Contracts payable		
Compensated absences payable		
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Pollution remediation obligation		
Bonds payable (include unamortized costs)		
Other long-term liabilities		
Total current liabilities		23,621

NONCURRENT LIABILITIES: (Note K)

Contracts payable		
Compensated absences payable		
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Pollution remediation obligation		
Bonds payable (include unamortized costs)		
OPEB payable		
Other long-term liabilities		
Total noncurrent liabilities		-
Total liabilities		23,621

NET ASSETS

Invested in capital assets, net of related debt		12,229,253
Restricted for:		
Capital projects		
Debt Service		
Unemployment compensation		
Other specific purposes		
Unrestricted		560,650
Total net assets		12,789,903
Total liabilities and net assets	\$	12,813,524

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA	Statement B
LAFITTE AREA INDEPENDENT LEVEE DISTRICT	
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS	
FOR THE YEAR ENDED JUNE 30, 2012	

OPERATING REVENUE

Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	_____
Other	_____
Total operating revenues	_____

OPERATING EXPENSES

Cost of sales and services	
Administrative	_____ 473,305
Depreciation	_____ 236,634
Amortization	
Total operating expenses	_____ 709,939
Operating income(loss)	_____ (709,939)

NON-OPERATING REVENUES(EXPENSES)

State appropriations	
Intergovernmental revenues(expenses)	_____ 711,778
Taxes	_____ 217,249
Use of money and property	
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	
Federal grants	_____ 190,577
Interest expense	
Other revenue	_____ 959
Other expense	
Total non-operating revenues(expenses)	_____ 1,120,563

Income(loss) before contributions, extraordinary items, & transfers	_____ 410,624
---------------------------------------------------------------------	---------------

Capital contributions	_____
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____

Change in net assets	_____ 410,624
----------------------	---------------

Total net assets – beginning, as restated	_____ 12,379,279
-------------------------------------------	------------------

Total net assets – ending	\$ _____ 12,789,903
---------------------------	---------------------

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Statement C

		Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
	Expenses	Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Assets
Entity	\$ 709,939	\$	\$ 190,577	\$ 711,778	\$ 192,416
General revenues:					
Taxes					217,249
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					
Miscellaneous					959
Special items					
Extraordinary item - Loss on impairment of capital assets					
Transfers					
Total general revenues, special items, and transfers					218,208
Change in net assets					410,624
Net assets - beginning as restated					12,379,279
Net assets - ending				\$	12,789,903

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012**

**Statement D
(continued)**

Cash flows from operating activities

Cash received from customers	\$	
Cash payments to suppliers for goods and services		(320,694)
Cash payments to employees for services		(134,443)
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		(455,138)

Cash flows from non-capital financing activities

State appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		(348,734)
Transfers in		
Transfers out		
Other		1,160,402
Net cash provided(used) by non-capital financing activities		811,667

Cash flows from capital and related financing activities

Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		(610,832)
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		(610,832)

Cash flows from investing activities

Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities		
Net cash provided(used) by investing activities		-

Net increase(decrease) in cash and cash equivalents (254,303)

Cash and cash equivalents at beginning of year 254,303

Cash and cash equivalents at end of year \$ -

**STATE OF LOUISIANA
LAFITTE AREA INDEPENDENT LEVEE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012**

**Statement D
(concluded)**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)		\$ <u>(709,939)</u>
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:		
Depreciation/amortization	236,634	
Provision for uncollectible accounts		
Other		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net		
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments		
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals	18,167	
Increase(decrease) in compensated absences payable		
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
Increase(decrease) in OPEB payable		
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		\$ <u><u>(455,138)</u></u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	\$ _____
Contributions of fixed assets	_____
Purchases of equipment on account	_____
Asset trade-ins	_____
Other (specify)	_____
_____	_____
_____	_____
Total noncash investing, capital, and financing activities:	\$ <u><u>-</u></u>

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
LAFITTE AREA INDEPENDENT LEVEE DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2012

INTRODUCTION

The District was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 38:291(Y). The following is a brief description of the operations of the District and includes the parish/parishes in which the District is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the District present information only as to the transactions of the programs of the District as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the District are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the District are annual lapsing appropriations.

STATE OF LOUISIANA
LAFITTE AREA INDEPENDENT LEVEE DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2012

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>1,000,750</u>
Amendments:	<u>247,225</u>
	<u> </u>
	<u> </u>
Final approved budget	\$ <u><u>1,247,975</u></u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the District may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

STATE OF LOUISIANA
LAFITTE AREA INDEPENDENT LEVEE DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2012

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2012, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per Balance Sheet (Reconciled bank balance)	\$ -	\$	\$	\$
Deposits in bank accounts per bank	\$ 228,361	\$	\$	\$ (228,361)
Bank balances exposed to custodial credit risk:	\$	\$	\$	\$
a. Uninsured and uncollateralized				
b. Uninsured and collateralized with securities held by the pledging institution				
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's				

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

Banking Institution	Program	Amount
1. Regions Bank	Operating	\$ -
2.		
3.		
4.		
Total		\$ -

STATE OF LOUISIANA
LAFITTE AREA INDEPENDENT LEVEE DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2012

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$	<u>-0-</u>
Petty cash	\$	<u>-0-</u>

2. INVESTMENTS

The District does not maintain investment accounts.

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

STATE OF LOUISIANA
LAFITTE AREA INDEPENDENT LEVEE DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2012

Schedule of Capital Assets (includes capital leases)

<u>University/System</u>	Balance 6/30/2011	Prior Period Adjustments	Restated Balance 6/30/2011	Additions	* Reclassifi- cation of CIP	** Retirements	Balance 6/30/2012
Capital assets not depreciated:							
Land	\$ 491,802	\$ -	\$ 491,802	\$ -	\$ -	\$ -	\$ 491,802
Non-depreciable land improvements	-	-	-	-	-	-	-
Non-depreciable easements	-	-	-	-	-	-	-
Capitalized collections	-	-	-	-	-	-	-
Software - development in progress	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-
Total capital assets not depreciated	\$ 491,802	\$ -	\$ 491,802	\$ -	\$ -	\$ -	\$ 491,802
Other capital assets:							
Depreciable land improvements	-	-	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-	-	-
Total infrastructure	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-	-	-
Total land improvements	-	-	-	-	-	-	-
Machinery & Equipment	27,952	-	27,952	44,054	-	-	72,006
** Accumulated depreciation	(19,364)	-	(19,364)	(9,262)	-	-	(28,626)
Total buildings	8,388	-	8,388	34,792	-	-	43,380
Infrastructure	11,978,069	-	11,978,069	566,778	-	-	12,544,847
** Accumulated depreciation	(623,403)	-	(623,403)	(227,373)	-	-	(850,776)
Total equipment	11,354,666	-	11,354,666	339,405	-	-	11,694,071
Software (internally generated & purchased)	-	-	-	-	-	-	-
Other intangibles	-	-	-	-	-	-	-
** Accumulated amortization - software	-	-	-	-	-	-	-
** Accumulated amortization - other intangibles	-	-	-	-	-	-	-
Total intangibles	-	-	-	-	-	-	-
Total other capital assets	\$ 11,363,254	\$ -	\$ 11,363,254	\$ 374,198	\$ -	\$ -	\$ 11,737,451
Capital asset summary:							
Capital assets not depreciated	\$ 491,802	\$ -	\$ 491,802	\$ -	\$ -	\$ -	\$ 491,802
Other capital assets, book value	12,006,021	-	12,006,021	610,832	-	-	12,616,853
Total cost of capital assets	12,497,823	-	12,497,823	610,832	-	-	13,108,655
Accumulated depreciation/amortization	(642,767)	-	(642,767)	(236,634)	-	-	(879,401)
Capital assets, net	\$ 11,855,056	\$ -	\$ 11,855,056	\$ 374,198	\$ -	\$ -	\$ 12,229,253

* Should only be used for those completed projects coming out of construction-in-progress to fixed assets.

** Enter a negative number except for accumulated depreciation in the retirement column

**STATE OF LOUISIANA
LAFITTE AREA INDEPENDENT LEVEE DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2012**

E. INVENTORIES

N/A

F. RESTRICTED ASSETS

N/A

G. LEAVE

1. COMPENSATED ABSENCES

The District has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service – currently 40 hours of each per year.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditures when leave is earned. Only annual leave is accrued in the accompanying statement of net assets, the amount unpaid at June 30, 2010, being \$346. There were no employees for the previous two years.

2. COMPENSATORY LEAVE

N/A

H. RETIREMENT SYSTEM

The District's employees will begin participating in the Louisiana State Employees Retirement System (LASERS) effective July 1, 2012.

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The District does not offer post-employment benefits to its employees.

J. LEASES

1. OPERATING LEASES

N/A

2. CAPITAL LEASES

N/A

**STATE OF LOUISIANA
LAFITTE AREA INDEPENDENT LEVEE DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2012**

K. LONG-TERM LIABILITIES

N/A

L. CONTINGENT LIABILITIES

N/A

M. RELATED PARTY TRANSACTIONS

N/A

N. ACCOUNTING CHANGES

N/A

O. IN-KIND CONTRIBUTIONS

N/A

P. DEFEASED ISSUES

N/A

Q. REVENUES – PLEDGED OR SOLD (GASB 48)

N/A

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

N/A

**S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL
PROVISIONS**

N/A

T. SHORT-TERM DEBT

N/A

STATE OF LOUISIANA
LAFITTE AREA INDEPENDENT LEVEE DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2012

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2012, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
General	\$	\$ 230,415	\$ 333,236	\$	\$ 563,651
					-
Gross receivables	\$ -	\$ 230,415	\$ 333,236	\$ -	\$ 563,651
Less allowance for uncollectible accounts					
Receivables, net	\$ -	\$ 230,415	\$ 333,236	\$ -	\$ 563,651
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2012, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General	\$ 17,936	\$ 5,684	\$	\$	\$ 23,620
					-
Total payables	\$ 17,936	\$ 5,684	\$ -	\$ -	\$ 23,620

W. SUBSEQUENT EVENTS

N/A

X. SEGMENT INFORMATION

N/A

Y. DUE TO/DUE FROM AND TRANSFERS

N/A

**STATE OF LOUISIANA
LAFITTE AREA INDEPENDENT LEVEE DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2012**

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

N/A

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for June 30, 2011.

Ending net assets 6/30/11 as reported to OSRAP on PY AFR	*Adjustments to ending net assets 6/30/10 (after AFR was submitted to OSRAP) + or (-)	Restatements (Adjustments to beg. Balance 7/1/10) + or (-)	Beg net assets @ 7/1/11 as restated
\$ 12,148,864	\$	230,415	\$ 12,379,279
			-
			-
			-
			-

This adjustment is the result of back taxes owed to the District following its segregation from the West Jefferson Levee District. A judgment was made during the current year that provided for collection by the District.

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46)

N/A

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES

N/A

DD. EMPLOYEE TERMINATION BENEFITS

N/A

EE. POLLUTION REMEDIATION OBLIGATIONS

N/A

FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

N/A

GG. RESTRICTED NET ASSETS – OTHER SPECIFIC PURPOSES

N/A

[illegible]

SCHEDULE 1

STATE OF LOUISIANA

LAFITTE AREA INDEPENDENT LEVEE DISTRICT

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than **\$3 million**, explain the reason for the change.

	<u>2012</u>	<u>2011</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>1,120,563</u>	\$ <u>479,034</u>	\$ <u>641,529</u>	\$ <u>>100%</u>
Expenses	<u>709,939</u>	<u>378,514</u>	<u>331,425</u>	<u>88%</u>
2) Capital assets	<u>12,229,253</u>	<u>11,855,055</u>	<u>374,198</u>	<u><1%</u>
Long-term debt	<u></u>	<u></u>	<u>-</u>	<u></u>
Net Assets	<u>12,789,903</u>	<u>12,148,864</u>	<u>641,039</u>	<u>5%</u>
Explanation for change:	<u></u>	<u></u>	<u></u>	<u></u>
	<u></u>	<u></u>	<u></u>	<u></u>
	<u></u>	<u></u>	<u></u>	<u></u>
	<u></u>	<u></u>	<u></u>	<u></u>